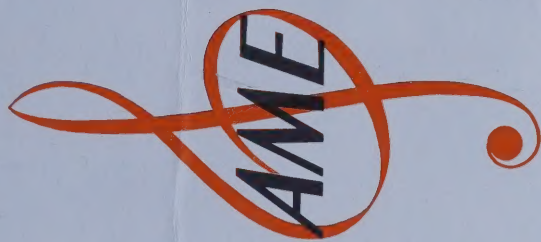


AR54

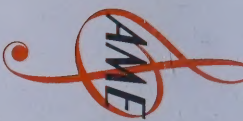
Send to recipient
globes & mail



LIMITED

Interim Report

*for the six months ended
June 30, 1973*

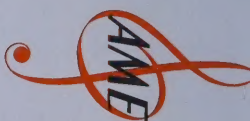


AME LIMITED
CONSOLIDATED STATEMENT OF SOURCE
AND APPLICATION OF FUNDS

	Six Months Ended June 30,	1972
SOURCE OF FUNDS:	1973	1972
Operations:		
Net earnings for six months	\$ 32,822	\$ 10,029
Depreciation (non-cash expense)	11,648	7,005
Other:		
Advances from associated companies	22,894	10,814
Proceeds of loan additions and long-term liability	215,760	
Minority stockholders' equity adjustment	293	29
Settlement of fire insurance claim net	14,403	—
Advances from shareholders	500	6,000
	<u>\$ 298,320</u>	<u>\$ 33,877</u>
APPLICATION OF FUNDS:		
Net increase in fixed assets	18,546	6,323
Goodwill on consolidation in connection with acquisition of record pressing plant	161,940	
Net increase in investments	895	815
Advances to associated companies	16,572	101,100
Repayment of long-term debt	1,909	—
Overpayment of income taxes	4,846	—
	<u>204,708</u>	<u>108,238</u>
INCREASE (DECREASE) IN WORKING CAPITAL	<u>\$ 93,612</u>	<u>\$ (74,361)</u>

NOTES:

- Advances to associated companies represents administration charges which is included in net income but has not yet been paid.
- The above figures are unaudited.



AME LIMITED
CONSOLIDATED STATEMENT OF OPERATIONS
For the Six Months Ended June 30, 1973

	1973	1972
SALES AND REVENUE:		
Music publishing revenue	\$ 203,130	\$ 92,032
Phonograph record sales and royalties	136,239	270,357
Agency and artist fees	836	938
Sound recording studio sales	14,399	20,226
Management fees	18,176	1,113
Profit on American Exchange	—	486
Record manufacturing plant sales	166,843	—
TOTAL INCOME	\$ 539,643	\$ 385,152
COST OF SALES:		
Publishing, royalty expense, sheet music, etc.	28,872	18,446
Phonograph records copyrights, artists and licensors royalties	36,978	85,281
Cost of records	53,497	60,524
Recording expense	12,913	10,587
Sound studio expense	12,033	28,651
Record manufacturing expense	90,462	—
GROSS PROFIT	304,888	203,489
OPERATING EXPENSES:		
Salaries, advertising, promotional and professional	106,966	78,778
Administrative expenses	125,841	71,393
Depreciation	11,648	7,005
	<u>244,455</u>	<u>157,176</u>
Deduct: Financial Expense	60,433	24,487
Interest and bank charges	27,611	14,458
CONSOLIDATED NET PROFIT FOR SIX MONTHS	<u>\$ 32,822</u>	<u>\$ 10,029</u>

NOTES:

- No provision has been made for income taxes in these accounts for 1973.
- These accounts do not include any results of European Subsidiaries outside the United Kingdom owing to time difficulty in obtaining interim accounts from these companies. During the period under review, the companies have traded successfully and the results of their operation will be included in our final accounts.
- The above figures are unaudited.